Clearing the Track for the Great Democracy Limited

UNCLE SAM has taken over the railroads. What in peace times would certainly be regarded as an act of gigantic usurpation in time of war becomes merely one of the necessary, even commonplace, measures of adjustment. The transfer from private to national control was made very quietly and, though the matter had been in the air some time, really quite suddenly. The country just woke up one morning to find that "it had come." Then the country went on as usual. Perhaps it breathed a sigh of relief. Numerous sighs of this nature are reported on the part of the railroads themselves.

Newspapers in commenting on the President's seizure of the railroads term the action "the logical step," "the inevitable," "the expected." "There is to be no upheaval," declares "The Philadelphia Inquirer" in an editorial which may, perhaps, be looked upon as representative of the opinion of the majority. "The roads will continue under their present managements. Experiments will not be necessary. Director General McAdoo will have his war board of railway officials and work through them." And further:

"Their hands will be free to organize all roads as part of a single gigantic enterprise. What is best for the country at large will be sought regardless of the receipts of individual roads. For each road will be guaranteed a net income equal to the average net income of the last three years. The stockholders are thereby amply protected. Unquestionably the plan is the best that could be devised. The announcement of it has had a stimulating effect. . . . Uncertainty has given way to certainty. . . . What this will lead to after the war is hardly worth while speculating about now. It is a war measure, pure and simple, and must be regarded as such."

A Great Big Business Deal, With Figures in the Billions

"A new era in railroad control" has begun, in the opinion of "The New York World," which further writes: "There has passed under the absolute direction of the government of the United States . . . railroad properties having over 230,000 miles of main track, capitalized at $17,500,000,000 and with 2,000,000 officers and employes. These immense concerns have hitherto been operated by or through 2,500 independent corporations; they will now for the period of the war be operated under a single director general as one corporation."

The selection of Mr. McAdoo as the director general meets with general approval. "The New York Sun" thinks he has enough responsibility as Secretary of the Treasury, which requires "ten men's brains, ten men's nerve energy and physical endurance," without adding newer responsibilities; but "The Washington Post" declares:

"No one except William G. McAdoo could have been safely chosen to undertake the stupendous work. . . . The financial questions involved are closely related to the finances of the government, and thus fall in a field wherein McAdoo is equally the first among his countrymen. His skill and constructive force are unique in the history of the Treasury—at any rate since Hamilton's time. American industry and finance will accept with perfect confidence the announcement that he is to supervise the finances of the railroads. As for the practical problem of railroad direction, Mr. McAdoo is fortified by the experience gained before his service as Secretary of the Treasury and by the broader experience obtained while sitting at the Cabinet table considering national problems."

Among the questions raised is that of the possibility of the government passing from control to permanent ownership. Opinion is divided on this. Some believe that it is merely a war measure and others declare that never will the country return to private control, but that eventually the government will own the railroads out and out. This question, in a larger sense, is discussed by George Harvey elsewhere in this issue of The Review. Finances, labor problems and traffic relief as the result of pooling and unification of management are other important questions which the editors are attempting to answer.

"The Omaha Bee" looks on the situation as one in which "questions are easily asked but not readily answered." Among the list of questions to which "The Bee" would like a reply are these:

"How will government control and operation affect the investor? Will the proposed guarantee of returns on a basis of three years' average standardize all railroad stocks and securities and put them on the same market level? Will it make any difference to the holder by which road his certificate is issued if it is underwritten by Uncle Sam? . . . Which roads will have priority for their demands, or, rather, how will the priority be determined? What about the vast volume of railroad litigation? Is it fair to infer that all the lawsuits as between the railroads and the public will be held in abeyance?"

Questions, More Questions! The Case Is Full of Them

The editor continues the interrogative by asking what effect the order will have on the labor situation, whether strikes will end, whether roads will bid for the service of efficient men and what choice and latitude the railroad men will have in choosing a road for which to work.

Concerning improvements he quizzes further. He asks if the government will make extensions, build terminals and additional lines, and, if so, will the new construction be on the account of the government, or as part of the existing road, or on account of several roads joined together? Or will the government defer the question of construction, doing only immediate and unavoidable work and improvements? Also, whether the government with unlimited money will invest it or save money by reducing the operating expenses? In fact, this particular writer is as well stocked with questions as was Sancho Panza with adages and "wise saws." Here are some more:

"In the matter of operation, how far will the government go to stop duplication and waste? Will it pool rolling stock and motive power and distribute cars and engines regardless of the roads to which they used to belong? Will it consolidate terminals and make shops and round-houses and yards interchangeable? Will it route traffic by shortest lines and cease operating two or three bridges or two or three roads where one will do? Is rivalry in service to end and competition in speed to stop? Will it be 'cash and carry' for shippers, and, if so, will the shippers get the benefit of the saving?

"Finally, how long will government operation continue? Is this to be a temporary expedient for the duration of the war only, or is it an experiment to lay the foundation for permanent public ownership? Does the taking over of the railroads indicate a settled conviction that the war is, so far as we are concerned, only begun? Does government operation of the railroads stand by itself? Or is it only a starter for the government taking over other industries and activities vital to the national defence and the successful prosecution of the war?"

Opinion divides as to the ethics involved in government ownership. The New York Tribune declared editorially that the policy of government control is right. "The government should have absolute control of the railroads during the war. But it should not attempt to run them. Lincoln knew this. He put the operation of the railroads in the hands of operating men and positively forbade any interference. The order of an operating man could not be changed by a commanding general."

"Government ownership is not involved," says "The Philadelphia Inquirer." "It is government management that is created. It is the plan virtually adopted by England, where the government took possession of the roads and has managed them, guaranteeing dividends."

"The New York World" agrees with the editor of The Tribune and the editor of "The Inquirer." "The question is asked if this does not portend inevitable government ownership after the war. The answer is that it does not. But a successful management of this great experiment can mean an end of so much independent and divergent operation of the country's railroad mileage and its terminals in a great city." . . .

"The Providence Journal" thinks "it is imperatively necessary that there be no limit short of the absolute control which only the government can assume and exercise. . . . This is not government ownership."

But "The Nashville Tennesseean," "The Boston Transcript," "The Louisville Courier-Journal," "The Columbus Dispatch," "The Christian Science Monitor" and "The Baltimore Sun," in varying degree, argue against government ownership. The latter said: "For the present, perhaps, it is sufficient to say that the success of government operation during a war like the present one will by no means prove that government ownership would be desirable in normal times. When the question of government ownership becomes an issue in our politics it will have to be fought out on its merits."

Likewise "The Chicago Tribune" reminds its readers that "there is a good deal of loose talk about government operation of the railroads. Those who use the term most glibly—as if the words themselves were possessed of a kind of magic to remedy all transportation evils—usually mean something like government ownership. This ambiguity persists when they cite precedents and examples."

"The Savannah News" goes so far to say that "the government's experiences during the remainder of the war as operator of railroads of the country may actually crystallize public opinion against government ownership, and, if this occurs, the order of the President will have brought a double benefaction to the country." That benefit will be the lesson that "the best practical solution of the problem of the roads in peace times is their operation in private hands with the government acting as protector both of them and the public."

"The New York Call" (Socialist) believes that 1918 will see government ownership not only of the railroads but also of the coal mines, and "after that the shipping, steel and oil and other giant industries; and if we are exceedingly lucky . . . it is not unlikely that we may even see some serious steps taken for the control of the food supply."

"Within the Twinkling of an Eye" the Thing Has Come About

"The Detroit News" takes another position. It points out that the great "fundamental policies which men have fought for and against, have feared and dreaded through generations" are now here "within the twinkling of an eye." The editor further declares: "Of course, the taking over of the railroads is declared by the Administration to be but a war measure. So was President Lincoln's abolition of slavery. The permanent effects of the movement will depend entirely upon the success which the government achieves in its large venture."

"The New York Globe" is of the opinion that "the railroads will never be returned to private ownership. A great change has been effected and will be for all time."

Concerning the vital question of finance "The Charleston (N. C.) Observer" noticed that the "stock market took an immediate and material advance. The stock market is the country's trade barometer. The safer the economic conditions of the nation the higher the stocks go and the firmer they hold. This response to the action of President Wilson may be taken as the country's indorsement of it." But just here, turning again to "The New York Call," one comes upon a cry of warning. "The Call" cautions its readers not to believe Wall Street infallible in money matters—not to look upon its brokers as "supermen." Indeed—

"These people are gamblers, and very little more, and the gambler must be a bluffer. Whatever he may think, he must 'put up a front,' and he does it instinctively, as a rule, and certainly not through any positive economic or sociological knowledge. Like all gamblers, the bulk of these people live a hand-to-mouth existence. With most of them sufficient to the day is the evil thereof. And most of them see no evil in state control of railroads any more than they ever saw any good in it. But the guarantees of the government—and they are strictly conditional and dependent on future contingencies as yet unknown—seem to them an immediate security, and they are no doubt on the whole right in the assumption. There will be dividends—guaranteed by the state, the strongest guarantee they could have—and that suffices for the moment. The gambler always looks to the immediate future, never the distant future; that he is willing to let take care of itself, and he will somehow meet whatever it may bring forth."

This being one of those interesting digressions which revolutionary strokes, such as the taking over of the railroads, always invite. Another bit of generalization is found in the editorial columns of "The Knickerbocker Press," where it is averred that strikes are a thing of the past. Or, in the same connection, take "The Savannah News," which declares that "the railroad man . . . will more closely resemble the soldier. His orders will proceed from the government. There will be, as there should be, no more talk of strikes. He should no more think of striking than the postal clerk or mail clerk or government department employe."

What Happened to the Railroads During the Civil War

THE Civil War had its railroad problem. Then, just as now, the government was concerned with the necessity of keeping unbroken lines of communication for the transportation of troops and supplies. Perhaps during the years from 1861 to 1865 more important railroad legislation was enacted and more government policies toward railroad control and ownership were debated and defined than in any other four years of America's history.

Of very great importance was the act of 1862 empowering the President, "whenever in his judgment public safety required it, to seize railways and telegraph lines in the United States, their offices, agents and employes so that they should be considered a part of the military forces of the United States subject to all the restrictions imposed by the rules and articles of war." This is the very law under whose precedent President Wilson seized the railroads last week.

Senator Wade, the father of the bill, declared in Congress, January 28, 1862, when the measure was under debate, that it "is really more radical in its terms than it will ever be in operation." His colleagues would not accept the bill unless an anti-government ownership clause was inserted. It was declared that "it is never good policy for the government to enter upon a system of internal improvements, however vital to the functions of government, if the ends of government can be subserved by a judicial intervention of private enterprise."

It was also provided that "three commissioners, appointed by and with the consent of the Senate, are to determine damages and compensation due to any company as a result of the operation of this act." The decision of the commissioners is final under the act.

Before giving extracts from debates in Congress when the bill was under consideration, it is well to note other questions of interest to-day which came before the legislative bodies at Washington then relating to railroads. For instance: The opinion of the Secretary of War in 1861 that under the "Free from any tolls" clause in railroad charters, especially land grant roads, that government troops and supplies should be transported free of charge. House Bill No. 63, introduced in 1863, authorizing the United States government to build and operate a military and postal railroad from New York to Washington. It died in committee. Government land grants to the Pacific railroads. More than 70 per cent of the total of 155,504,997 acres was given by Congress in the years between 1862 and 1866. Government taxation of the railroads for the first time to raise war taxes. The government's seizing of rolling stock and terminals of the Camden & Amboy Railroad to facilitate the transportation of troops and munitions of war.

The revenue act of 1862 provided that the owners of steamboats and railroads should pay a duty of 3 per cent on gross receipts and a tax on interest and deferred payments. The revenue bill of 1864 amended the former act requiring the railroads and steamboat lines to pay 5 per cent on all profits and 2½ per cent on total gross receipts. The public paid an increased price on tickets and freight.

Lincoln Was in Favor of Definite Action

Lincoln agreed with the Secretary of War that the government had the power to seize the railroads, but he wished a bill definitely passed by Congress. He urged this because the Baltimore & Ohio had refused the government the use of its lines, bridges on the Wilmington & Baltimore Railroad had been destroyed, and troops of the 8th Massachusetts had been attacked in the streets of Baltimore while on their way to the front. He wrote of the "propriety of an appropriation to be made by Congress, to be applied, when the public exigencies demand, to the reconstruction and equipment of railroads, and for the expense of maintenance and operating them." He urged, on the grounds of military expediency, the construction of a railroad between loyal sections of Tennessee and Western North Carolina and Kentucky.

Senator Wade, of Ohio, who introduced the measure in Congress, is quoted in "The Congressional Globe" as follows:

"Mr. President, I will briefly state . . . that this bill is contemplated merely as a war measure. Of course, it will not disturb any road the owners of which are willing to let come into the use of the government. . . . I suppose that under the war power the Executive might do that without any law, but it is much better that it should be done by authority of law than by what may be considered by some as usurpation; and therefore, although this bill is very sweeping, and subjects all railroad lines to its operation, it must still be perfectly evident that very few lines will be taken possession of by the government for the purpose of war. There are probably few railroads in the loyal states where this would be refused. . . . The fact is that the bill is really more radical in its terms than it will ever be in operation."

Senator Pearce, one of the opponents of the bill, said:

"You take these pure civilians, the whole business of whose lives is railroad transportation for passengers and freight, and make them subjects of military law. I think you have no more power to do it, sir, than you have to 'pluck bright honor from the pale faced moon.' If the bill can be amended so as to apply within the limits of three seceded states, I have no sort of objection to it, but if it is not, I would as soon have my head cut off as vote for it."

Senator Davis agreed with Senator Pearce, but he declared that it was his intense patriotism that compelled him to vote against the bill.

"I want the bill passed, as far as, in my judgment, it does not conflict with the Constitution. Mr. President, if there is any idol on earth that I have worshipped it has been the Union of these states. I have in my imagination fancied this nation subsisting for a thousand years, extending through the centuries that numbered the history of Carthage, of Rome, and the modern kingdoms of France and England. . . . No, Mr. President, I, in my imagination, lying upon my own pillow, have indulged in the visions of the future, and have pursued this imperial republic to a point of development in its fiscal resources, in national power, in everything that can make an empire great and glorious and grand."

The next speaker, Senator Wilson, spoke as follows:

"What is the whole object of the bill? . . . It is to concentrate our forces, to move large masses of men without the knowledge or consent of anybody, without negotiating with railway directors as to how many men are to be moved, or where they are to be moved."

Senator Wade declared:

"It is no great hardship to those who have managed and conducted a railroad to say to them, 'You shall now continue your business for the government instead of for the company; conduct our troops safely and with the greatest expedition to the point where we want to use them.' . . . I would use every power that God Almighty and the Constitution have put in our hands to suppress it (the rebellion), and one of our undoubted powers is to seize all the railroads in this nation if the government wants them for the transportation of troops and munitions of war; to take the cars, the rolling stock and the hands employed, to employ them for the government instead of for the corporation. That is all we ask.

"When you come to a railroad corporation there seems to be something very sacred about it. Sir, I see no more reason why we should forbear exercising this same power in the case of a railroad than in the case of a private individual who happens to have a team upon the road, and this is done every day. We want the men; we want those who are best qualified to run your road; and we want them now, and we want to say to them, 'Continue your business for the government.' . . . I want the right, whenever 100,000 men are thought necessary to be concentrated at a certain point, and there are railroads with equipment sufficient for their transportation, to take that stock and press the employes of those roads into the service of the government to carry out this great design. It is not hardship on them unless they are violent traitors at heart."

Senator Browning called the measure an "extreme and tyrannous war power." He thought to impress the trainmen against their will would prove disastrous. "The gentleman said he would shoot them. Yes sir, but before he shoots them these unwilling men that he has compelled into the service of the government—railroad employes, if any such there be—will run hundreds of trains off the road to kill and mangle thousands upon thousands of our soldiers. Force unwilling men as employes into the service of the government as railroad managers and there will be disaster enough in one week to more than counterbalance all the benefits that we can derive from the passage of the gentleman's bill."

The Safety of the Republic Is the Supreme Law

Senator Hall came to the defence of the bill. He declared:

"I am not going to stand here and try this case by pleas in abatement and pettifogging objections. I am ready to rest my action on the broad principle of that old maxim of the Roman Empire, which declared that the safety of the republic was the supreme law. . . . Sir, I believe that the safety of the republic requires to-day energetic, earnest and efficient measures. . . . You ought to arm the government with power to punish any aggressions upon it anywhere and everywhere, whether it is within the seat of war or in any other place under heaven."

The War Department exercised its right two years later when it seized the Camden & Amboy Railroad, which monopolized the right of way across New Jersey between Philadelphia and New York, to carry troops. The officials of the line enjoined the Raritan & Delaware Bay road against transporting troops through New Jersey, and obtained an order from the highest court in New Jersey compelling the rival line to turn over money received from the Quartermaster's Department.

A bill was introduced into the House in 1864 to declare the rival to the "Camden monopoly" a lawful structure and a post and military road so that it could compete with its rival. The bill finally passed, but only after a long debate in Congress, in which the question of state's rights and the obligation of a contract were advanced as arguments by the friends of the monopoly.

One of the clauses in the bill provided that "every railroad company in the United States . . . is hereby authorized to carry over its roads, connections, boats, bridges and ferries all freight, property, mails, passengers, troops and government supplies, and to receive compensation therefor."

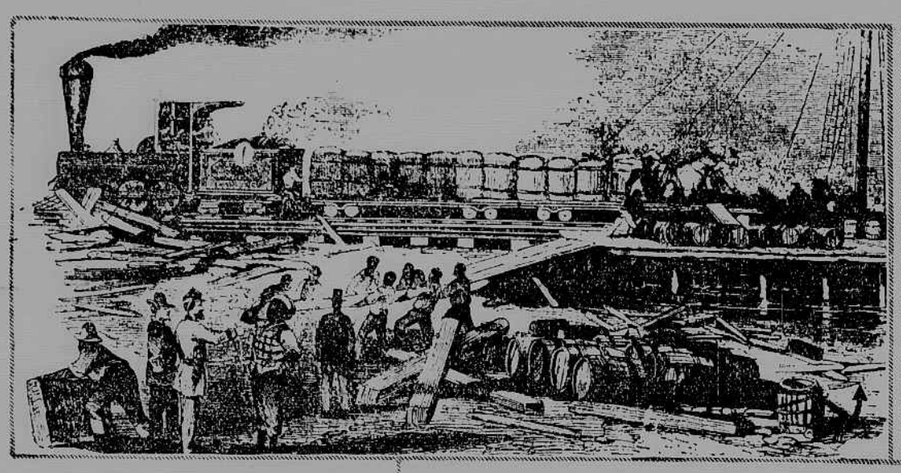
The New York Tribune, on March 23, 1864, said editorially:

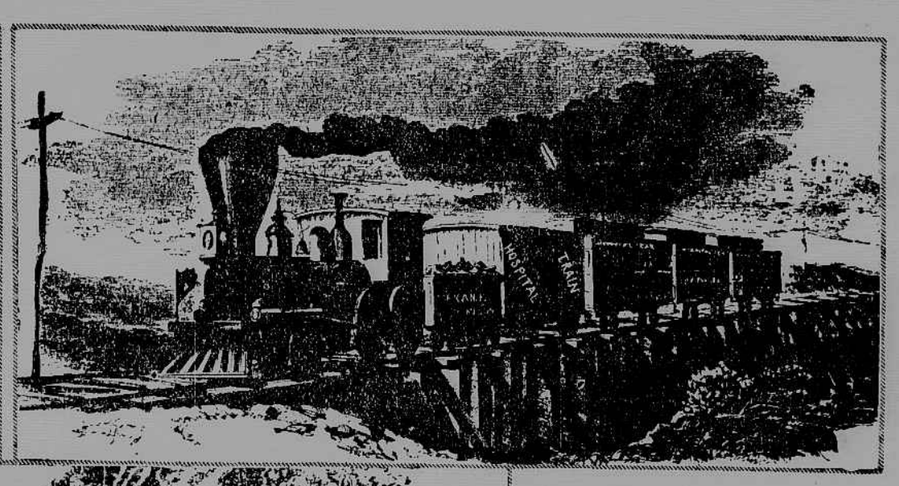
"It is plainly the cue of the champions in Congress of the Camden monopoly to talk to death the resolve of the military committee in favor of permitting the people of other states to get through New Jersey more advantageously and cheaply than the monopoly will carry them. . . . The short method with all that is to so amend the resolve that it may affirm and uphold generally the right to cross not only New Jersey but every state by the cheapest and most inviting conveyances that offer."

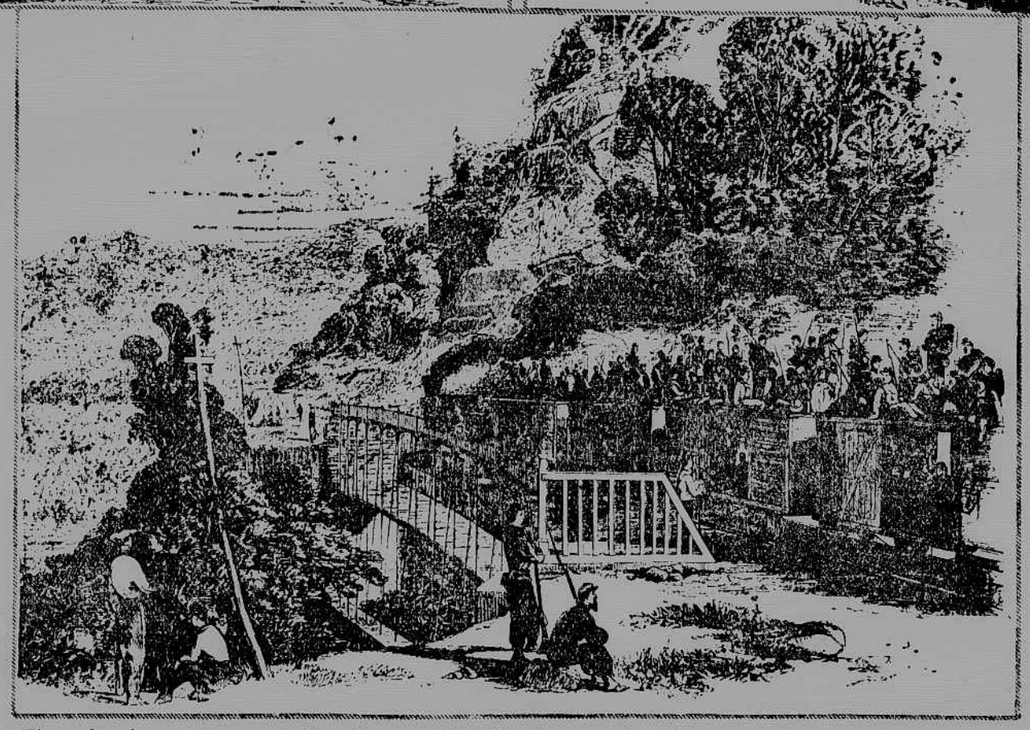
As for the difficulties of railroad travel in the Civil War days, one finds, by turning to "Harper's Weekly" for December 3, 1864, that—

"The whole system of railroad travel in this country is disgraceful, and we propose, in this and subsequent articles, to show in what ways it might be improved. . . . Ross Browne somewhere says that when he was one of nine guests stowed in one bed together in a Western inn the landlord brought the tenth, and when Browne himself pleaded that they were tolerably full he was sternly denounced as a haughty and unsocial being. By this time, doubtless, that host is the model president or superintendent of a grand central railroad, offering every inducement for enlightened travellers to prefer it to all other tedious, dangerous and connection missing routes. . . . The general railway massacre that is taking place in the country is certainly the business of somebody; and of whom can it be so much the interest as the public themselves?"

This editorial was written twenty-three years before the Interstate Commerce Commission was created.







These drawings picture war railroading in 1861-'64. The drawing of the hospital train comes from "Harper's Weekly" (1863), the others are from "Leslie's Weekly" (1861).

Rafts

"THE raft has been used for centuries for carrying various cargoes," writes Day Allan Willey in "St. Nicholas." "It carried Egyptian cotton on the Nile; it is in service on the Congo River in Africa and the Ganges in India; but the raft which is its own cargo is that composed of logs—a method of water transportation that originated in Nova Scotia a half century ago.

"Tree trunks cut from Nova Scotia forests were moved on wooden rollers to one of the harbors, where the logs were piled in layers and bound together with twisted wire rope. The raft was to be taken to a lumber mill on New York Harbor, where the logs were to be cut into timber for building purposes. To haul the raft while on the sea, one end of a heavy wire rope was fastened to its bow, the other was secured to the rear deck of a steam tugboat. It started on its ocean journey, but never reached its destination, for a gale of wind sprang up, the towing rope parted, and the raft drifted out to sea. Later, some of the logs were found washed ashore on the Norwegian coast

"In the Northwest the transportation of lumber in rafts is very extensive. They are of enormous dimensions, in shape closely resembling a cigar, having its greatest diameter at the middle and tapering to a point at both ends. While these rafts are of varying sizes, the smallest usually contains at least five thousand pieces of timber, ranging from 80 to 110 feet in length and from two feet to nearly five feet in diameter at the butt.

"Consequently, some of the rafts made in this peculiar fashion are nearly as long as the largest transatlantic liners, measuring no less than 650 feet from end to end."

Scanning the Wit of the Day

"UNCLE JOE" CANNON dearly loves a circus, especially one with a large monkey, a baboon, or an ape. In this connection he spins a yarn.

When a boy, down in North Carolina, Cannon and a cornfield negro went to a circus together. Upon entering the sideshow they were attracted by a large ape. It was an enormous brute, the largest, Cannon says, that he ever has seen in his eighty-two years of existence. The negro was so fascinated that he refused to budge from the cage. Long after all the other folks had passed into the main tent, the negro was stalled in the sideshow. Finally, satisfied that none except Cannon was about, he approached the bars.

"How be you?" he asked the ape.

No answer. The negro looked around again to make certain that he was not observed by strange eyes.

"How is it?" he asked again.

Still no answer; and a third time he spoke to the ape without receiving a reply. Then he burst out:

"Dat's right! Don' you say a single word. If you does, dey'll have you out of dat nice straw an' a hoe in youh hands in a minute."—*Cartoons Magazine.*

Bill: "I've just lost one of my best friends."

Jill: "Indeed! How much did you succeed in borrowing from him?"—Yonkers Statesman.

* * *

"Pa, were you rich when mamma married you?" "No, my dear." "Well, papa, what was it, then, do you think, that mamma married you for?"—Detroit Free Press.

* * *

Inquiring Subscriber to Editor—Don't see anything by your funny paragraphist lately. Ain't mad, is he?

No, he isn't mad. Only out of humor.—Browning's Magazine.